



# **Remedy Without Remediation**

## **How to build a low cost HIPAA-IT Solution**

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# Physmark Inc.

## Who are we?



- Software for Managing HMOs & Healthplans - healthcare delivery systems
- Over 5 million lives & 150,000 physicians
- Many clients who have HIPAA problems

Our goal: “To solve HIPAA IT issues of our clients and others”

# Why are commercial players treading this area?



- HIPAA institutes
  - Uniform transaction standards
  - Standard Code sets
- No difference with commercial
- More familiar with off-the-shelf-software

HIPAA promotes uniformity as do COTS

# IT Challenges of HIPAA



- Technical
- Translate transaction formats
  - Missing fields
  - Mismatched fields
- Translate Codes



# Option # 1: Replacement of System



- No Guarantees
- Caveat Emptor
- Not a viable option - Budget & time constraints.

# Option # 2: Remediation



- Y2K like effort
- Throwing good money after bad
- ROI may be poor

# Option #3: Clearinghouse



- Not many compliant
- Translator Services
- Will work for some but not for all

# Option #4: Build your own



- Buy a Translator
- Fix legacy system
- Will work but will be expensive
- Budget constraints may reduce functionality



# Option # 5: Buy a COTS product



- Vendor takes responsibility
- Cost shared amongst multiple users
- Not too many to select from

# Factors to consider while building



- Address technical issues
- More than mere compliance
- Business Issues
- Financial Issues
- Operational Issues

# Business Issues



- Privacy & security violations
  - Who's responsible? User or vendor?
  - What if technology is weak?
- Dispute Resolution
  - Just saying No will not suffice
  - Complete list of error codes - 23,000 plus!

# Financial Issues



- How to handle future changes
  - Preserve investment
- Need for full assessment
  - Keep surprises to a minimum
- Keep support costs to a minimum
- Can it be a “shared solution”?



# Operational Issues



- Receiving, monitoring status
- Viewing/editing files
- Handle trading partner changes easily
- Improve business processes
  - Data mining
  - Web inquiries

# Assessment



- Must be complete
- Gap Analysis -missing & mismatched fields
- Needs analysis; local codes
  - Is there a need for creating HIPAA transactions
- Avoid changes to legacy system
- Allow for HIPAA changes and new regulations

# Step 1 - Acquiring a Translator



- Select the Best
- Stable Vendor with large programmer pool
- Not too complex
- In-house expertise
- Our decision: to build our own translator!

## Step 2 - Acquire a database



- Same criteria as above
- Must handle complex cross-walks
- Database exposed to third parties
- Security & privacy a concern
- Our decision: Oracle database
  - “Can’t break in. Can’t break it.”



# Step 3 - Establish Design



- Remediate or not: Limit changes to legacy system
- Allow for HIPAA changes & new identifiers
- Portal and self-help web features
- Shared solution
- Build in security and privacy

# Step 4 - Begin programming



- Establish standards
- Storing of mismatched and new fields
- Links and cross-walks
- Comprehensive error handling
- Maintain continuity of programming staff

# Step 5 - Testing & tweaking



- Testing for error handling
- Stress testing
- Scaleability
- Reliability

# What did we do?



- Created HIPAA Appliance™
  - Translator
  - Data repository
  - Clearinghouse
  - Shareable
  - ANSI  $\Leftrightarrow$  ASCII



# Advantages



- Full control of data
- Easy to setup & use
- Flexible
- Security & privacy
- Full compliance

# Implementation



- Interfaces must be built
- Oracle 9iAS and 9i database
- Custom screens for viewing
- Business Partners to assist

# More Information



- Check out [www.physmark.com](http://www.physmark.com)
- Call 800-922-7060 or 972-231-8000 for various HIPAA white papers and documents elaborating on the contents of this presentation.

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